

UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF TENNESSEE
NASHVILLE DIVISION

CHAD YOUTH ENHANCEMENT CENTER,)
INC. and UNIVERSAL HEALTH SERVICES,)
INC.,)
Plaintiffs,) Case No. 3:09-0545
v.) Judge Trauger
COLONY NATIONAL INSURANCE CO.,)
Defendant.)

FINAL JUDGMENT ON REMAND

This matter comes before the Court on remand from the Sixth Circuit Court of Appeals. The Court has been advised that the parties agree and stipulate to the entry of this Final Judgment, as further set forth below.

On June 11, 2009, the Plaintiffs filed a Complaint for declaratory relief in this matter, alleging *inter alia*, that the Defendant is obligated to provide insurance coverage for punitive damages under an insurance policy issued to the Plaintiff, Chad Youth Enhancement Center, Inc. (the “Colony Policy”).

On August 12, 2009, Plaintiffs filed a motion for partial summary judgment seeking a judgment that the Colony Policy provided coverage for any punitive damages Plaintiffs might be liable to pay in a wrongful death action then pending in the Eastern District of Pennsylvania, styled *Paulette M. Dolby as the administratrix of the Estate of Omega Leach, III v. Universal Health Services, Inc., et al.* (the “Underlying Action”). Defendant opposed Plaintiffs’ motion and filed its own motion for summary judgment seeking a judgment that the Colony Policy did not provide coverage for any punitive damages Plaintiffs might incur in the Underlying Action.

On February 2, 2010, then Senior District Court Judge R. Echols granted the Plaintiffs' motion for summary judgment on Count I of the Complaint, finding that the Colony Policy provided coverage for punitive damages Plaintiffs might incur in the Underlying Action.

On October 12, 2010, Judge Echols further entered an Order awarding attorney's fees to the Plaintiffs, as the prevailing parties on their claim for declaratory relief, in the total amount of \$115,395.03.

Defendant timely appealed both the Order granting Plaintiffs' motion for summary judgment and Order awarding attorney's fees. In a written opinion issued on March 30, 2012, the Court of Appeals for the Sixth Circuit reversed the Order granting summary judgment to the Plaintiffs, vacated the Order awarding attorney's fees, and remanded with instructions to grant Colony's cross-motion for summary judgment. The Court of Appeals further ordered that any attorney's fees paid by Colony to date "shall be reimbursed with interest at the judgment rate."

NOW, THEREFORE, pursuant to the mandate of the Court of Appeals, and upon the stipulation for entry of final judgment filed by the parties, it is hereby ORDERED, ADJUDGED and DECREED that:

1. The Court's Order dated February 2, 2010, granting Plaintiffs' motion for summary judgment and Order dated October 12, 2010, awarding attorney's fees to the Plaintiffs, are hereby VACATED.
2. Defendant Colony National Insurance Co.'s Cross-Motion for Summary Judgment is hereby GRANTED.
3. Pursuant to the written opinion by the Court of Appeals, the Court hereby

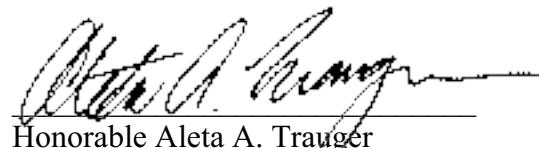
DECLARES that the Colony Policy does not provide coverage for punitive damages for Plaintiffs in the wrongful death action filed in the Eastern District of Pennsylvania, styled *Paulette M. Dolby as the administratrix of the Estate of Omega Leach, III v. Universal Health Services, Inc., et al.*

4. The Defendant, Colony National Insurance Co., shall recover the sum of \$4,500,000 from Plaintiff, Chad Youth Enhancement Center, Inc., which represents the amount paid by Colony in the settlement of the wrongful death action referenced above, which amount was "attributable to punitive damages," along with interest which began to accrue 18 months after the date of the settlement in the Underlying action, February 4, 2010, in the amount of \$159,375.00.

5. Defendant Colony National Insurance Co. shall also recover attorney's fees previously paid to the Plaintiff, Chad Youth Enhancement Center, Inc., in the amount of \$115,395.00.

6. The total amount recoverable by Colony National Insurance Co. under this Final Judgment is **\$4,774,770.00**, for which sum let execution issue.

DONE AND ORDERED in Chambers in Nashville, Tennessee, this 6th day of June, 2012.



Honorable Aleta A. Trauger
United States District Judge